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City of Detroit

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TO: The Honorable City Council

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: February 10, 2014

RE: **REVIEW OF CONTRACTS AND PURCHASING FILES**

Attached is the list of contracts and purchase orders recommended by the Finance Department, Purchasing Division, and submitted to the City Council for referral to the Committees on February 11, 2014.

The comments and review of the Legislative Policy Division staff are printed in bold following the contracts.

Attachments

cc:	Janice Winfrey	City Clerk
	Mark Lockridge	Auditor General
	Palencia Mobley	Mayor's Liaison
	Boysie Jackson	Purchasing Division
	Irvin Corley	Legislative Policy Division
	Marcell Todd	Legislative Policy Division

Statistics compiled for the list of Contracts and Purchases submitted for referral on February 11, 2014.

Department	No. of Contracts or Purchase Orders	Detroit-Based Business Bids	Change, Extension Increases, Renewals	Located in Detroit
General Services	3	0	2 Renewals	0
Plan. & Development 1 Emerg. Procuremt. previously submitted through a different department	2	0	0	1
Public Lighting	1	0	0	1
Public Works	2	0	0	0
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Totals 1 Emergency Procurement	8	0 Detroit-Based Business Bids	2 Renewals	2

This list represents appropriations totaling approximately \$ 664,526.00¹

Included in the total costs are the following:

City General Fund	\$	54,000.00
Grant Funds	\$	254,300.00 ²
Renewable Energy Energy Optimization Fund	\$	175,000.00
Street Funds	\$	181.226.00

¹ This list includes: New Contracts for one-time purchases and a terms of 1 to 3 years ; and contract renewals for 1 year.

² This includes a contract for services (\$54,300) previously approved, through a different contract and using different grant funds.

TO: The Honorable City Council

**FROM: David Whitaker, Director
Legislative Policy Division Staff**

DATE: February 10, 2014

**RE: CONTRACTS AND PURCHASE ORDERS SCHEDULED TO BE CONSIDERED
AT THE FORMAL SESSION OF FEBRUARY 11, 2014**

GENERAL SERVICES

2836266 100% City Funding – To Repair Service Parts and/or Labor for Epoke Sirius 4400 Salt/Liquid Spreaders – Company: Bell Equipment Company, Location: 78 Northpointe Drive, Lake Orion, MI 48359 – Contract Period: March 10, 2014 through March 9, 2015 – Original Contract Amount: \$150,000.00 – Total Contract Amount: \$75,000.00
Renewal of Existing Contract – Original Contract expired December 31, 2013.

Costs budgeted to General Fund, Acct. 1000-470110-006004-622100-13152-0-A4510, Appropriation for GSD-Street Maintenance includes available funding of \$1,636,979 as of February 7, 2014.

This request is for the renewal of the contract for 1 year, NO ADDITIONAL funding is requested.

The contract was approved Feb. 1, 2011 for a term of 3 years, through March 9, 2014, for a costs of \$150,000, The contract includes options to renew 2 additional years.

This request is for the first renewal to provide parts and labor to repair the snow removal equipment. The unit prices remain the same - Labor at \$85 per hour and \$127.50 per hour for overtime; parts are at cost, ranging from \$13.78 to \$86.63, with no discounts. There is no additional funding requested for this renewal, total authorized expenditures remain the same at \$150,00. According to General Services, \$89,681.55 remains available on this contract to use.

Contract checklist, received Feb. 4, 2014, indicates this contract is essential for the repairs and services necessary to maintain the equipment for snow removal.

Covenant of Equal Opportunity Affidavit signed 2-4-14; TAXES: Good Through 3-23-14 and 6-30-14; Hiring Policy Compliance Affidavit signed 2-4-14; Slavery Era Records Disclosure Affidavit signed 10-22-10, indicating business established 1951, no records to disclose.

General Services - *continued*

2833752 100% City Funding – To Repair Service, Genuine, and/or Labor Heil Packer Units – Company: Bell Equipment Company, Location: 78 Northpointe Drive, Lake Orion, MI 48359 – Contract Period: March 10, 2014 through March 9, 2015 – Original Contract Amount: \$650,000.00 – Total Contract Amount: \$250,000.00

Renewal of Existing Contract – Original Contract expired December 31, 2013.

Costs budgeted to Solid Waste Management Fund, Acct. 3401-190415-000041-622100-12397-0-A4510, Appropriation for Refuse Collection includes available funding of \$18,995,939 as of February 7, 2014.

This request is for the renewal of the contract for 1 year, NO ADDITIONAL funding is requested.

The contract was approved Feb. 22, 2011 for a term of 3 years, through March 9, 2014, for a costs of \$650,000, The contract includes options to renew 2 additional years.

This contract was approved as a Sole Source contract - Bell Equipment indicated to be the only authorized distributor for Heil Refuse equipment, replacement parts and services in Mich.

This request is for the 1st renewal of the contract for 1 year, continuing the same prices for Labor at \$85 per hour for repair services and parts at the manufacturer's list price with no discount. There is no additional funding requested for this renewal, total authorized expenditures remain the same at \$650,000. According to General Services, \$505,069.22 remains available on this contract to use.

General Services also indicates, that although the City is proposing to contract out the residential garbage pickup services, a fleet of garbage trucks still has to be maintained for park maintenance and the maintenance and picking up garbage at City facilities.

Contract checklist, received Feb. 4, 2014, indicates this contract is essential for the parts and repair services to maintain the garbage loading equipment.

Covenant of Equal Opportunity Affidavit signed 2-4-14; TAXES: Good Through 3-23-14 and 6-30-14; Hiring Policy Compliance Affidavit signed 2-4-14; Slavery Era Records Disclosure Affidavit signed 10-22-10, indicating business established 1951, no records to disclose.

General Services - *continued*

2887764 100% City Funding – To Repair Service, Maintenance and Inspection for Overhead Crane/Hoist – RFQ# 44443 – Company: Konecranes, Inc., Location: 42970 W. Ten Mile Road, Novi, MI 48375 – Contract Period: February 1, 2014 through January 31, 2017, with Two (2), One (1) Year Renewal Options – (10) Items – Unit Price Range: \$95.00/Hour To \$190.00/Hour – Sole Bid – Contract Amount Not to Exceed: \$54,000.00

Costs budgeted to General Fund, Acct. 1000-470010-006004-622200-11830-0-A4510, Appropriation for Facilities and Grounds Maintenance includes available funding of \$4,924,494 as of February 7, 2014

5 Bids solicited, 1 Bid received on Open Market for the maintenance and inspection services required for overhead cranes and hoists.

The Sole Bid received from Konecranes was determined to be acceptable. Cost for maintenance and repair services is \$95 per hour for regular hours, \$135 per hour for overtime, and \$190 per hour for work on Sundays and holidays. Cost for inspections is \$150 each for overhead cranes and hoists, \$48 each for Wire Rope, Load Chain inspections; Required parts to be charged at a 10% discount from the Manufacturer's price.

Based on the estimated requirements for services, the bid from Konecranes was a total of \$102,732 (\$34,244 per year) over the 3-year term. The Department requested the contract be reported for an estimated cost of \$18,000 per year, a total of \$54,000 for the 3-year term.

Konecranes is based in Springfield, Ohio; local distributor is in Novi, MI. According to information in the Purchasing File, the required commodities and services are not available through any of the Cooperative Agreements.

Covenant of Equal Opportunity Affidavit signed 8-22-13; TAXES: Good Through 12-9-14 and 6-30-14; Hiring Policy Compliance Affidavit signed 10-23-13; Slavery Era Records Disclosure Affidavit signed 10-23-13, indicating business established 1972, no records to disclose.

PLANNING & DEVELOPMENT

2882964 100% Federal Funding (Emergency Shelter Grant) – To Provide Rapid Re-Housing and Homeless Prevention Services to all City of Detroit residents who qualify – Company: Southwest Counseling Solutions, Location: 5716 Michigan Avenue, Detroit, MI 48210 – Contract Period: October 1, 2013 through May 31, 2014 – Contract Amount Not to Exceed: \$200,000.00

Costs budgeted to Discretionary Grant Fund, Acct. 2002-361508-0-617900/651118/628500-13340-0-0, Appropriation for Emergency Solution Grant, includes available funding of \$5,566,356 as of February 7, 2014.

Funding is from the 2011-2012 Emergency Solutions grant for funding to nonprofit organizations that provide emergency shelter, transitional housing and/or support services for the benefit of homeless persons. Agency's Project Coordinator is Tasha Gray.

This contract is for the Rapid Re-Housing and Homeless Prevention services provided by Southwest Counseling Solutions that include case management and referrals to assist Detroit residents and ensure they obtain some housing stability. Specific services include rental assistance, assistance with security deposits and payments of utilities.

Clients who currently have housing, but are at risk of becoming homeless may be provided assistance with rent payments (not to exceed 3 rent payments), past due utility payments, Security deposits, late fees, application fees and moving costs if relocation is required.

Clients who are homeless or in a shelter/transitional housing, may be eligible for a maximum of 3 months rental assistance, security deposit, past utility costs and moving costs.

Clients must first apply for State Emergency Relief before they are eligible to receive Emergency Shelter funding.

Budgeted costs include: Personnel costs of \$76,739; Rapid Re-housing financial assistance for \$83,588; Homeless Prevention financial assistance for \$39,673.

The Agency also to provide a Cash Match to this grant of \$222,510; Cash Match indicated will be provided from Detroit Wayne County Mental Health and Carelink.

Contract checklist, dated Dec. 19, 2013, indicates this contract is essential in order to comply with the terms of the HUD funding agreement.

Covenant of Equal Opportunity Affidavit signed 10-23-13; TAXES: Good Through 10-24-14 and 8-15-14; Hiring Policy Compliance Affidavit signed 10-23-13; Slavery Era Records Disclosure Affidavit signed 10-23-13, indicating business established 1972, no records to disclose.

Two previous contracts have been submitted to the City Council for the Rapid Re-Housing and Homeless Prevention activities for the period from Oct. 1, 2013 through Dec. 31, 2014:

No. 2882961 with Neighborhood Legal Services Michigan, for \$300,000 on City Council Agenda for February 11, 2014 under Voting Action Matters;

No 2882957 with United Community Housing Coalition for \$305,544 approved Nov. 26, 2103.

Planning and Development Dept. - *continued*

2887724 100% Federal Funding (NSP3) – Notification of Emergency Procurement as provided by Ordinance No. 15-00 – Please be advised of an Emergency Procurement as follows: Description of Procurement: Demolition of property located at 9001-3 W. Vernor – Basis for the Emergency: This fire damaged structure poses a threat to public health and safety and is necessary to demolish – Contractor: 1 Way Services, Location: 4195 Central Street, Detroit, MI 48210 – Total Amount: \$54,300.00

Costs budgeted to Neighborhood Stabilization Program Fund, Acct. 2005-365065-0-622975-13564-0-0, Appropriation for NSP III includes available funding of \$16,548,206 as of February 7, 2014.

The demolition of the structure at 9001-3 W. Vernor due to its condition as fire-damaged and danger in the neighborhood was previously submitted (No. 2884126) and approved as an Emergency Procurement through the Buildings and Safety Engineering and Environmental Department on October 29, 2013. The contract was approved with 1 Way Services, as the Lowest Bidder, for a cost of \$54,300. Costs for the contract were charged to an Appropriation using Block Grant Funds.

This requirement is being re-submitted as a NEW Emergency Procurement contract in order to charge the costs to Neighborhood Stabilization Program Funds. Planning and Development Dept. handles all NSP funding, a new requisition and contract had to be created to charge the costs to Neighborhood Stabilization.

Purchasing Division indicates they will be preparing a resolution to Rescind the previous contract 2884126 approved through Buildings and Safety Engineering and Environmental Department.

The demolition of the property includes the removal of the foundation or slabs.

Cost quotations were requested and received from 3 pre-approved demolition vendors. The lowest bid was received from 1Way Services. Other bids received from: Adamo for \$65,765 and Futurennet for \$73,625.

City Council may wish to inquire on the status of the demolition, if the demolition has been completed.

Covenant of Equal Opportunity Affidavit signed 10-3-13; TAXES: Good Through 8-16-14 and 9-30-14; Hiring Policy Compliance Affidavit signed 7-20-12.

PUBLIC LIGHTING

2888624 100% City Funding – To Provide Renewable Electric Energy Credits – RFQ# 46499 – Company: DTE Electric Company, Location: 1 Energy Plaza, Detroit, MI 48226 – Contract Period: March 1, 2014 through February 28, 2015 – (2) Items – Unit Price Range: \$5.00/Hour – Lowest Bid – Contract Amount Not to Exceed: \$175,000.00

Costs budgeted to Renewable Energy and Energy Optimization Fund, Acct. 3801-380840-0-628500-13061-0-0, Appropriation for Renewable and Clean Energy includes available funding of \$1,744,862 as of February 7, 2014.

The Public Lighting Department is required to purchase Energy Credits, based on the amount of electricity the Department sells to customers; this requirement is based on the State Law, MCLA 460.1001 through 460.1195 (Public Act 295 of 2008).

The State Law rewards utilities that produce energy through renewable sources, such as solar, wind, or Biomass, which is any other organic matter (not derived from fossil fuel) used to produce energy such as agricultural crops, animal waste, paper/wood products, Wastewater sludge. Since PLD does not produce any energy through renewable sources, the utility is required to purchase Energy Credit from electrical producers that do produce energy through renewable sources.

This contract is for the purchase of 12,000 Megawatt hours at \$5 per megawatt hour for 2013; And the purchase of 23,000 Megawatt hours at \$5 per megawatt hour for 2014.

Bids were requested to provide the Renewable Energy Credits, this recommendation is for the Lowest Cost provided by DTE at \$5 per megawatt hour. The Second Bid received from Walker Miller for \$542,500 (\$15.50 per megawatt hour).

According to the Agreement with DTE, the Renewable Energy Credits being purchased were produced through Biomass.

City Council may wish to request further explanation of this contract to pay DTE for the Renewable Energy Credits, when all the electricity acquired by PLD to re-sell to PLD customers, is acquired from DTE.

Contract Discussion - continues on following page

Public Lighting - continued

2888624 100% City Funding – To Provide Renewable Electric Energy Credits – RFQ# 46499 – Company: DTE Electric Company, Location: 1 Energy Plaza, Detroit, MI 48226 – Contract Period: March 1, 2014 through February 28, 2015 – (2) Items – Unit Price Range: \$5.00/Hour – Lowest Bid – Contract Amount Not to Exceed: \$175,000.00

Contract Discussion - continued

There was a previous contract (No. 2825502) approved Oct. 19, 2010 with Walker Miller Energy Services to assist PLD to comply with the State Act 295, including educating customers on acquiring more energy efficient products, increase use of energy efficient lighting, and rebates to customers that install energy saving equipment. This contract was approved for \$299,227, for the initial 2-year term; increased by \$150,000 to \$449,227, and extended an additional year, through June 30, 2013, approved in July 2013.

Contract checklist, received January 30, 2014, indicates this contract is essential to comply with the requirements of State Law.

Covenant of Equal Opportunity Affidavit signed 10-31-13; TAXES: Good Through 2-28-14 and 6-30-14; Slavery Era Records Disclosure Affidavit signed 10-31-13, indicating no records to disclose.

Hiring Policy Compliance Affidavit NOT SIGNED, according to DTE, their employment application does inquire of applicants if they have been convicted of, plead guilty to or no contest to a felony or misdemeanor; DTE states the felony/misdemeanor history is NOT considered until after the determination of basic qualification.

PUBLIC WORKS

2881292 100% City Funding – To Provide DPW Street Repair Equipment (Super Gyratory Paver) – RFQ# 45937 – REQ# 289597 – Company: Pine Instrument, Location: 101 Industrial Drive, Grove City, PA 16127 – Quantity (1) – Unit Price Range: \$43,518.00/Each – Sole Bid – Contract Amount Not to Exceed: \$43,518.00

Costs budgeted to Major Street Fund, Acct. 3301-193825-000048-644600-06424-0-A4570, Appropriation for Major Street-Operations includes available funding of \$31,559,952 as of February 7, 2014.

3 Bids solicited, 1 Bid received on Open Market for the purchase of the Superpave Gyratory Compactor, required to test pavement materials. Department determined the sole bid is satisfactory.

Contract checklist, received March 3, 2014, indicates is essential to obtain the equipment necessary to test the new asphalt mix; Mi. Dept. of Transportation changed the specifications for the mix and City Engineering lab does not currently have the equipment to do the testing. According to the Department, the City Engineering Division has been sending out the asphalt to have it tested by consultants the past 2 construction seasons. Construction materials for street re-paving is required to be tested by the State and Federal authorities.

City Engineering indicates there was a total of \$29,585 spent for required testing of the asphalt during the 2012 construction season.

Covenant of Equal Opportunity Affidavit signed 8-7-13; TAXES: Good Through 10-8-14 and 6-30-14; Hiring Policy Compliance Affidavit signed 8-7-13; Slavery Era Records Disclosure Affidavit signed 8-7-13, indicating business established 1962, no records to disclose.

Public Works Dept. - continued

2887188 100% City Funding – To Provide a Fifty-Ton Detachable Gooseneck Trailer – RFQ# 44845 – REQ# 282230 – Company: Southeastern Equipment, Location: 48545 Grand River Avenue, Novi, MI 48374 – (2) Items – Unit Price Range: \$68,854.00/Each – Lowest Bid – Contract Amount Not to Exceed: \$137,708.00

Costs budgeted to Local Street Fund, Acct. 3302-190870-000050-644600-04190-0-A4570, Appropriation for Local Street-Capital includes available funding of \$26,890,221 as of February 7, 2014.

3 Bids solicited, 2 Bids received on Open Market for the purchase of two (2) 50-ton trailers. The equipment is indicated to be used for transporting heavy construction equipment – pavers, rollers, loaders, etc. – to the construction sites.

This recommendation is for the Lowest Bid received from Southeastern Equipment for \$68,854 each. The trailers are 51.25 feet long by 8.5 feet wide with a load capacity of 50 tons.

Second Bid received from Holden Industries, based in South West City, Missouri for \$70,001 each.

This request is for a 2nd Purchase Order based on the Request for Quotations (RFQ), No. 44845.

The first Contract, No. 2880299, with Southeastern Equipment was approved July 9, 2013, for the purchase of one (1) 50-ton trailer for \$68,854. RFQ 44845 was initially submitted by the Department in April 2013.

Contract checklist, dated June 18, 2013, indicates this purchase is essential to department operations, the trailers are required for transporting heavy construction equipment, such as pavers, rollers, loaders to the construction/ street resurfacing site.

Covenant of Equal Opportunity Affidavit signed 2-4-14; TAXES: Good Through 1-15-15 and 6-30-14; Slavery Era Records Disclosure Affidavit signed 4-25-13, indicating no records to disclose; Hiring Policy Compliance Affidavit signed 4-25-13, however, it was indicated with the previous Purchase Order 2880299 in June 2013, that the employment application does include a question if applicant convicted of any crime.